


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Federal Pipeline 13-17-4-23				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT WILDCAT				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR PARALLEL PETROLEUM CORP						7. OPERATOR PHONE 432 685-6568				
8. ADDRESS OF OPERATOR 1004 N Big Springs St Ste 400, Midland, TX, 79701						9. OPERATOR E-MAIL mccurry@ppll.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-81184			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL	FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN			
LOCATION AT SURFACE	830 FSL 126 FWL		SWSW	17	4.0 S	23.0 E	S			
Top of Uppermost Producing Zone	830 FSL 126 FWL		SWSW	17	4.0 S	23.0 E	S			
At Total Depth	830 FSL 126 FWL		SWSW	17	4.0 S	23.0 E	S			
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 830			23. NUMBER OF ACRES IN DRILLING UNIT 1439				
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 0			26. PROPOSED DEPTH MD: 3000 TVD: 3000				
27. ELEVATION - GROUND LEVEL 5345			28. BOND NUMBER LOC-61648852			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE VERNAL CITY				
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	12.25	8.625	0 - 300	24.0	J-55 ST&C	0.0	Premium Plus	250	1.2	15.6
Prod	7.875	5.5	0 - 3000	15.5	J-55 LT&C	12.0	Premium Lite High Strength	175	3.43	11.0
							50/50 Poz	550	1.24	14.4
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Ginger Bowden				TITLE Agent			PHONE 435 790-4163			
SIGNATURE				DATE 06/02/2011			EMAIL gs_paradigm@yahoo.com			
API NUMBER ASSIGNED 43047516370000				APPROVAL  Permit Manager						

RECEIVED: Jun. 07, 2011

May 13, 2011

RE: Parallel Petroleum LLC
Federal Pipeline 13-17-4-23
Sec. 17, T4S, R23E

Utah Division of Oil, Gas and Mining
1549 West North Temple, Suite 1210
Salt Lake City, UT 84114

Dear Sir or Madam,

Parallel Petroleum LLC respectfully requests a spacing exception for the subject location. The well has been moved from the center of the forty-acre spacing.

The well is located at 830" FSL & 126" FWL, which has changed from the proposed location at 660" FSL & 660" FWL.

The location was moved due to a drainage and topography. Please find the attached plat maps.

Parallel Petroleum Corp is the only lease owner within a 460 foot radius.

If you have additional questions, please feel free to contact me at 435-790-4163.

Ten Point Plan
Federal Pipeline 13-17-4-23
SW/4 of SW/4, Section 17, T4S, R23E, Uintah County

1. Surface Formation – Navajo**2. Estimated Formation Tops and Datum:**

Formation	Depth
Chinle	240"
Shinarump	462"
Moenkopi	550"
Anhydrite	845"
Phosphoria	1,245" Possible Oil, Gas
Weber	1,425" Possible Oil, Gas
TD	3,000"

3. Producing Formation Depth:

Formation objective: Weber at 1425".

4. Proposed Casing and Cement:Casing Program

<u>HOLE SIZE</u>	<u>CSG. SIZE</u>	<u>#/ Ft.</u>	<u>GRADE</u>	<u>CONNECTION.</u>	<u>DEPTH</u>	<u>CONDITION</u>
12 1/4"	8 5/8"	24	J-55	ST&C	300"	New
7 7/8"	5 1/2"	15.50	J-55	LT&C	T.D.	New

Cementing Program

<u>SECTION</u>	<u>INTERVAL</u>	<u>HOLE SIZE</u>	<u>CSG SIZE</u>	<u>SLURRY</u>
Surface	0 - 300"	12 1/4"	8 5/8"	

Lead:

Tail: 250 sx Premium Plus „V“ (or equivalent) + 2
 % CaCl₂ + .125 pps Cello Flake

Wt: 15.6 ppg Yld: 1.20 ft³ / sx

Volume calculated on 100% excess

Production 0-TD 7 7/8" 5 1/2"

Lead: 175 sx Premium Lite II + 0.05 lbs/sx Static Free + 3 lbs/sx CSE-2 + 3% bwow Potassium Chloride + 0.25 lbs/sx Cellophane Flakes + 2 lbs/sx Kol Seal + 0.002 gps FP-6L + 10% bwoc Bentonite + 0.5% bwoc Sodium Metasilicate
Wt: 11.0 ppg Yld: 3.43 ft³ / sx

Tail: 550 sx (50:50) Poz (Fly Ash):Class G Cement + 0.05 lbs/sx Static Free + 3% bwow Potassium Chloride + 0.5% bwoc EC-1 + 0.25 lbs/sx Cellophane Flakes + 0.002 gps FP-6L + 2% bwoc Bentonite + 0.3% bwoc Sodium Metasilicate
Wt: 14.40 ppg Yld: 1.24 ft³ / sx
Volume calculated on 40% excess in open hole

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 2000 psi.

A 2000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during drilling operations.

Stack: 2M SAG

6. Mud Program:

INTERVAL	MUD WEIGHT lbs./gal.	VISCOSITY Sec / Qt	FLUID LOSS ml / 30 mins.	MUD TYPE
0-300	Air/Mist	No control	No control	
300-2000 (TD)	Air/ Mist	No control	No control	
1000-TD*	8.8-9.2	34	8-10	Water / Gel

* If mud up required for drilling/logs

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, and choke manifold

8. Testing, Coring, Sampling and Logging:

- a) Test: Possible DST's in Weber from 1,400" to estimated TD of 2000"
- b) Mudlog: Onsite from 300" to TD.
- c) Coring: Not Planned
- d) Sampling: Every 10" from 300" to T.D.
- e) Logging:

Type	Interval
Triple Combo, Sonic	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

Gas/oil shows are expected from 1,000" to 2,000" (TD). No sour gas anticipated.

10. Drilling Schedule:

The anticipated starting date is June 30, 2011 (or ASAP after APD approval). Duration of operations is expected to be 20 days.

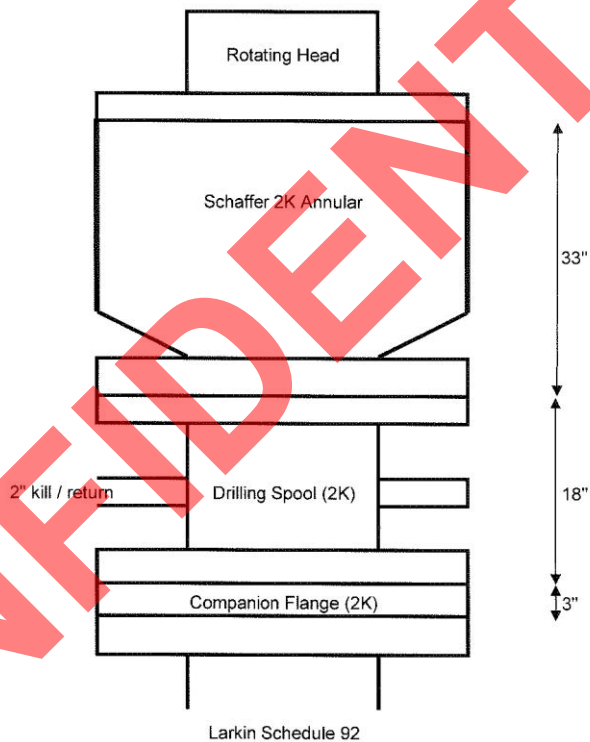
CONFIDENTIAL



PERFORMANCE PROFESSIONALS™

2103 East Ladd Road
Washington, Oklahoma 73093
(O) 405-288-6021
(F) 405-288-6737

(2,000 psi)
BOP Configuration



1. Existing Roads:

**Parallel Petroleum
Federal Pipeline 13-17-4-23
Section 17, T4S, R23E**

Beginning at the city of Vernal, UT, leave the city of Vernal traveling north on state highway 191 for a distance of approximately 0.5 miles to the junction of this road and 500 North ST. Turn right onto 500 North ST and proceed easterly for a distance of approximately 3.0 miles where there is a fork in the road. Turn right and proceed easterly along the Brush Creek road for a distance of approximately 3.8 miles where there is a turn to the left. Turn left and proceed in northeasterly for approximately 4.0 miles where there is a turn to the right. Turn right and proceed southerly for a distance of approximately 2.1 miles (1.2 & 0.9 on "A" map) to the beginning of an existing two-track access that needs to be upgraded. Turn left onto two-track access and proceed easterly for approximately 1,100' to the beginning of the proposed access for the Federal Pipeline 13-17-4-23 well pad. Turn right onto proposed access and proceed southerly approximately 55' to the proposed Federal Pipeline 13-17-4-23 well pad.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads.

Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 55' of new construction and approximately 1,100' of two-track upgrade. The road will be graded once per year minimum and maintained.

- A) Approximate length.....55 ft
- B) Right of Way width.....30 ft
- C) Running surface.....18 ft
- D) Surface material.....Native soil
- E) Maximum grade.....8%
- F) Fence crossing.....None
- G) Culvert.....None
- H) Turnouts.....None
- I) Major cuts and fills.....None
- J) Road Flagged.....Yes
- K) Access road surface ownership.....Federal
- L) All new construction on lease.....Yes
- M) Pipe line crossing.....Yes

Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within
a one-mile radius of the location site.

A) Producing well.....	None
B) Water well.....	None
C) Abandoned well.....	None
D) Temp. abandoned well.....	None
E) Disposal well.....	None
F) Drilling /Permitted well.....	None
G) Shut in wells.....	None
H) Injection well.....	None
I) Monitoring or observation well.....	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a color determined by the AO. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a gas line will be required. A sundry notice will be filed in the event a pipeline is necessary.

5. Location and type of water supply

Water for drilling and cementing will come from a municipal source at Dalbo/A-1 Tanks in Vernal, UT at 355 South 1000 East.

6. Source of construction materials

All construction material for this location site and access road shall be barrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 8 ft. deep and most of the depth shall be below the surface of the existing ground Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit or, if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. Onsite evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length.....	290 ft.
B) Pad width.....	189 ft.
C) Pit depth.....	8 ft.
D) Pit length.....	140 ft.
E) Pit width.....	40 ft.
F) Max cut.....	11.8 ft.
G) Max fill.....	9.4 ft.
H) Total cut yards.....	5,110
I) Pit location.....	East end
J) Top soil location.....	North end
K) Access road location.....	West end
L) Flare Pit.....	Corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,050** cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Interim Seed Mix

To be determined by the AO.

11. Surface ownership:

Access road.....Federal

Location.....Federal

Pipeline.....Not applicable at this time

12. Other information:

A) Vegetation

The vegetation coverage is slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, Indian Rice grass, Cedar and Sagebrush were also found on the location.

B) Dwellings:

There are eight dwellings or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. The survey will be forwarded to your office as soon as it has been completed.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is Bitter Creek located 8,000' +/- to the west.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior approval.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.
- g) Local fire authorities will be notified.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification
A) Representative

Ginger Bowden
Paradigm Consulting
PO BOX 790203
Vernal, UT 84079
Cellular 435-790-4163

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of two years from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Operators Certification:

I hereby certify that I, or someone under my direct supervision, have inspected the proposed drill-site and access route proposed herein; that I am familiar with the conditions which currently exist, that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it approved. I also certify that I or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for filing of a false statement.

Executed this 13th day of May, 2011.

Name: Ginger Bowden

Position Title: Agent

Address: PO BOX 790203 Vernal, UT 84079

Telephone: 435-789-4162

Onsite Dates: 11/28/2007

Self Certification Statement

The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Parallel Petroleum LC is considered to be the operator of the following well:

**Federal Pipeline 13-17-4-23
Section 17, T. 4S, R. 23E
SW ¼ of the SW ¼
Lease UTU-81184
Uintah County, Utah**

The Parallel Petroleum is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond LOC-61648852 provides state-wide bond coverage.

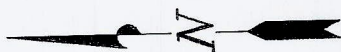
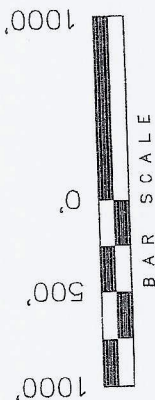
Date 5/13/2011

Name: Ginger Bowden

Title: Agent

PARALLEL PETROLEUM CORP.

WELL LOCATION, FED. PIPELINE
13-17-4-23, LOCATED AS SHOWN IN THE
SW 1/4 SW 1/4 OF SECTION 17, T4S,
R23E, S.L.B.&M. UINTAH COUNTY, UTAH.



THIS IS TO CERTIFY THAT THE ABOVE REPORT WAS
PREPARED FROM FIELD SURVEYS
MADE BY ME OR UNDER MY SUPERVISION THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
STATE OF UTAH
No. 189377

STACY W.

REGISTERED LAND SURVEYOR
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

DATE SURVEYED: 06-20-07	SURVEYED BY: T.P.
DATE DRAWN: 06-22-07	DRAWN BY: F.T.M.
REVISED: 07-19-07 F.T.M.	SCALE: 1" = 1000'

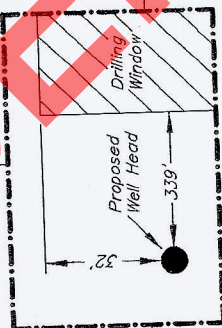
G.L.O. INFORMATION
NOT AVAILABLE

T4S, R23E, S.L.B.&M.

G.L.O. INFORMATION
NOT AVAILABLE

**WELL LOCATION:
FED. PIPELINE 13-17-4-23
ELEV. UNGRADED GROUND = 5345.9'**

17



1939
Brass Cap

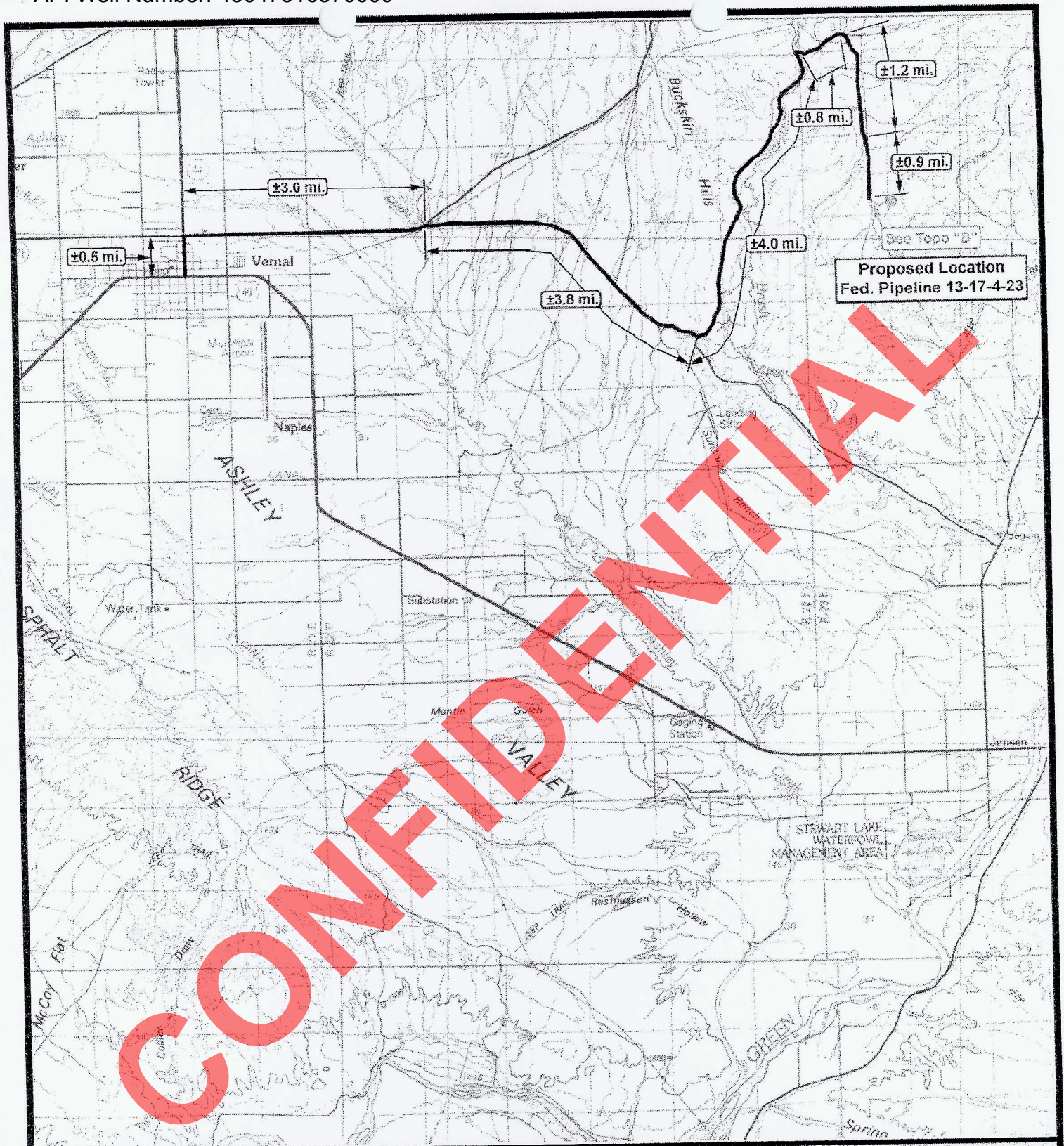
N89°04'12"W - 5326.14' (Meas.)

G.L.O. INFORMATION
NOT AVAILABLE

**FED. PIPELINE 13-17-4-23
(Surface Location) NAD 83
LATITUDE = 40° 28' 02.66"
LONGITUDE = 109° 21' 56.66"**

= SECTION CORNERS LOCATED

BASIS OF ELEV;
U.S.G.S. 7-1/2 min QUAD (DINOSAUR QUARRY)



PARALLEL PETROLEUM CORP.

Fed. Pipeline 13-17-4-23
SEC. 17, T4S, R23E, S.L.B.&M.



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 100,000'

DRAWN BY: TCJ

DATE: 06-27-2007

Legend

Existing Road

Proposed Access

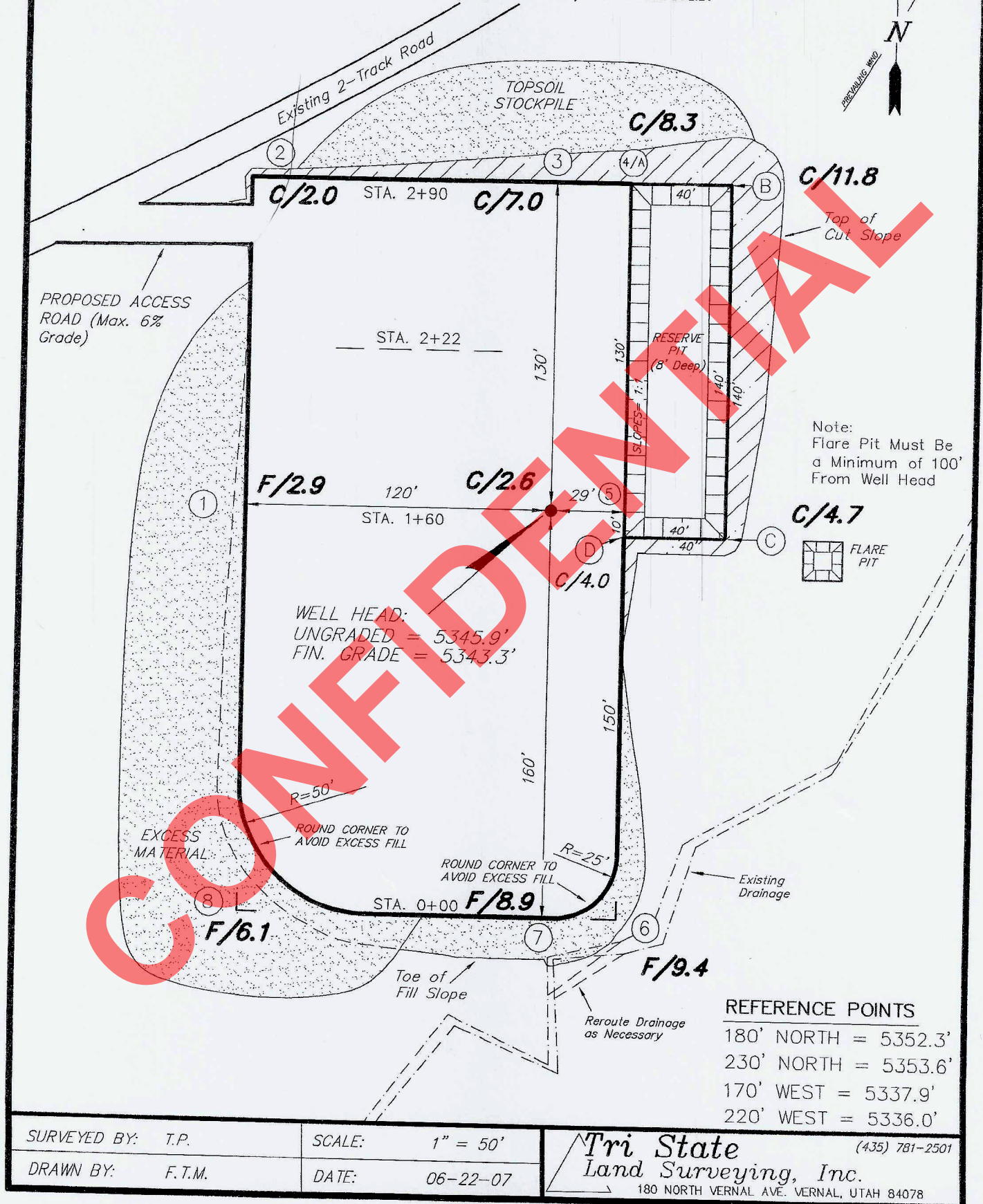
TOPOGRAPHIC MAP

"A"

PARALLEL PETROLEUM CORP.

FED. PIPELINE 13-17-4-23

Section 17, T4S, R23E, S.L.B.&M.



SURVEYED BY: T.P.

SCALE: 1" = 50'

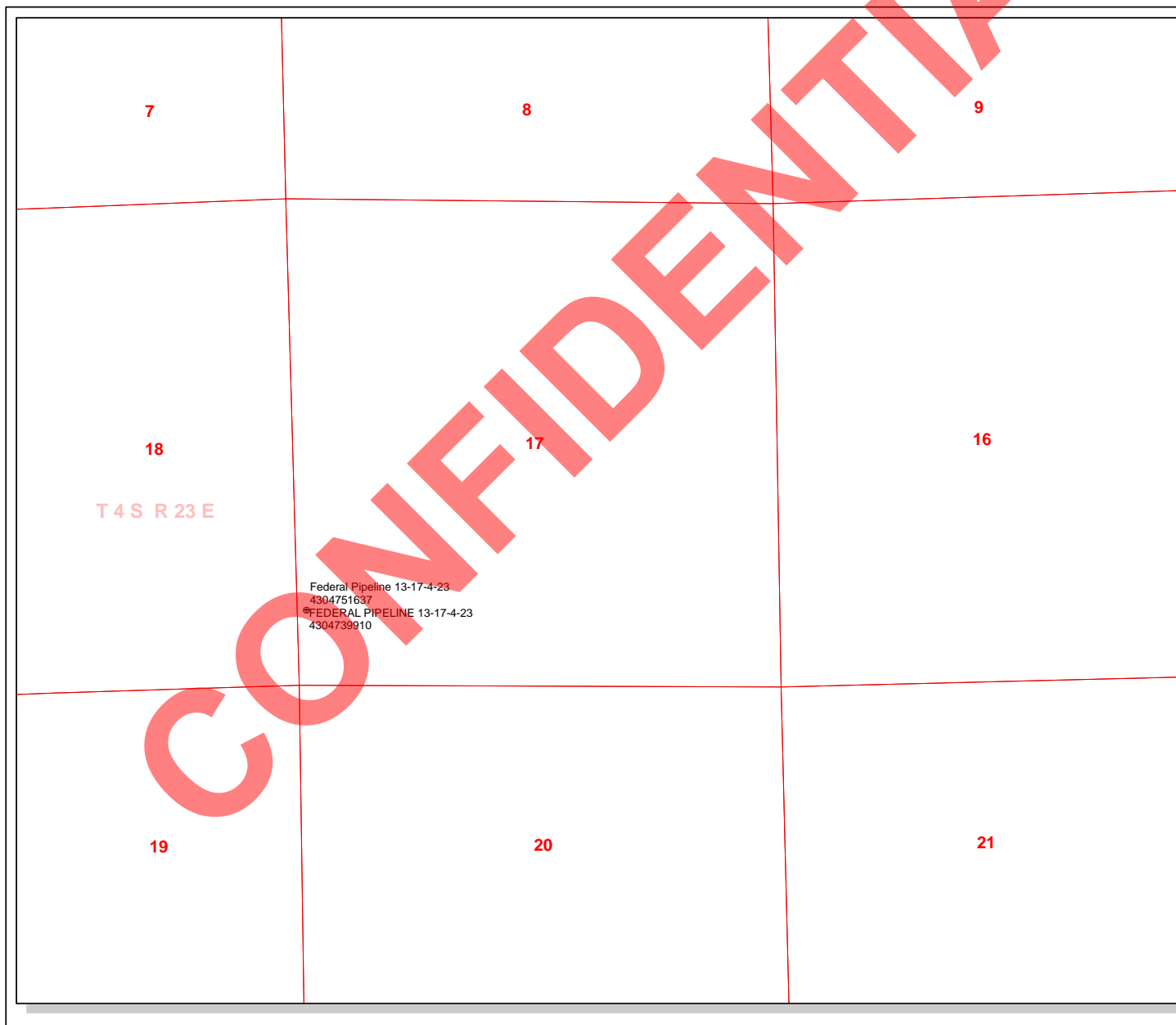
DRAWN BY: F.T.M.

DATE: 06-22-07

Tri State
Land Surveying, Inc.

(435) 781-2501

180 NORTH VERNAL AVE. VERNAL, UTAH 84078



API Number: 4304751637

Well Name: Federal Pipeline 13-17-4-23

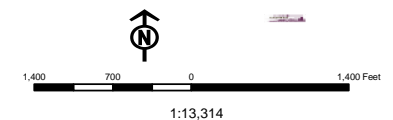
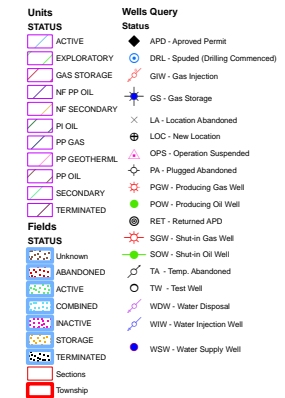
Township T0.4 . Range R2.3 . Section 17

Meridian: SLBM

Operator: PARALLEL PETROLEUM CORP

Map Prepared:

Map Produced by Diana Mason



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 6/2/2011**API NO. ASSIGNED:** 43047516370000**WELL NAME:** Federal Pipeline 13-17-4-23**OPERATOR:** PARALLEL PETROLEUM CORP (N2720)**PHONE NUMBER:** 435 790-4163**CONTACT:** Ginger Bowden**PROPOSED LOCATION:** SWSW 17 040S 230E**Permit Tech Review:** ☒**SURFACE:** 0830 FSL 0126 FWL**Engineering Review:** ☐**BOTTOM:** 0830 FSL 0126 FWL**Geology Review:** ☒**COUNTY:** UINTAH**LATITUDE:** 40.46752**LONGITUDE:** -109.36498**UTM SURF EASTINGS:** 638615.00**NORTHINGS:** 4480722.00**FIELD NAME:** WILDCAT**LEASE TYPE:** 1 - Federal**LEASE NUMBER:** UTU-81184**PROPOSED PRODUCING FORMATION(S):** WEBER**SURFACE OWNER:** 1 - Federal**COALBED METHANE:** NO**RECEIVED AND/OR REVIEWED:**☒ **PLAT**☒ **Bond:** FEDERAL - LOC-61648852☐ **Potash**☐ **Oil Shale 190-5**☐ **Oil Shale 190-3**☐ **Oil Shale 190-13**☒ **Water Permit:** VERNAL CITY☐ **RDCC Review:**☐ **Fee Surface Agreement**☐ **Intent to Commingle****Commingle Approved****LOCATION AND SITING:**☐ **R649-2-3.****Unit:**☐ **R649-3-2. General**☒ **R649-3-3. Exception**☒ **Drilling Unit****Board Cause No:** R649-3-3**Effective Date:****Siting:**☐ **R649-3-11. Directional Drill****Comments:** Presite Completed**Stipulations:**
1 - Exception Location - dmason
4 - Federal Approval - dmason
23 - Spacing - dmason**RECEIVED:** Jun. 07, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Federal Pipeline 13-17-4-23

API Well Number: 43047516370000

Lease Number: UTU-81184

Surface Owner: FEDERAL

Approval Date: 6/7/2011

Issued to:

PARALLEL PETROLEUM CORP, 1004 N Big Springs St Ste 400, Midland, TX 79701

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the WEBER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
UTU-81184

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator
Parallel Petroleum

3a. Address
1004 Big Springs Suite 400 Midland, TX 79701

3b. Phone No. (include area code)
432-685-6568

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Federal Pipeline 13-17-4-23

9. API Well No.
4304751637

10. Field and Pool or Exploratory Area
Wildcat

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
830' FSL & 126' FWL SWSW Sec 17, T4S, R23E

11. Country or Parish, State
Utah, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The operator respectfully requests a two year extension for the subject location.

RECEIVED

JUN 23 2011

DIV. OF OIL, GAS & MINING

RECEIVED
GREEN RIVER DISTRICT
VERNAL FIELD OFFICE
2010 AUG 13 PM 3 41
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Ginger Bowden

Title Agent for Parallel Petroleum

Signature

Ginger Bowden

Date

8/13/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Acting Assistant Field Manager
Lands & Mineral Resources

Title

Date

OCT 28 2010

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

VERNAL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions)

UDOG

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
1. CDW

Change of Operator (Well Sold)

X - Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

6/8/2011

FROM: (Old Operator): N2720-Parallel Petroleum Corporation 1004 N Big Spring St, Suite 400 Midland, TX 79701 Phone: 1 (432) 685-6563				TO: (New Operator): N3625-Parallel Petroleum, LLC 1004 N Big Spring St, Suite 400 Midland, TX 79701 Phone: 1 (432) 685-6563				
CA No.				Unit:				
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
FED PIPELINE 13-17-4-23	17	040S	230E	4304751637		Federal	OW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/28/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 12/28/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 12/20/2011
- Is the new operator registered in the State of Utah: Yes Business Number: 5956493-0161
- (R649-9-2) Waste Management Plan has been received on: 12/28/2011
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM ok BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 12/28/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/28/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000204
- Indian well(s) covered by Bond Number:
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number:
- The **FORMER** operator has requested a release of liability from their bond on:

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:

COMMENTS: This permit was processed with some documents showing "Corp" and others showing "LLC"
Operator is doing business as "LLC" This is to correct those inconsistencies.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-81184
2. NAME OF OPERATOR: Parallel Petroleum LLC <i>N3625</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1004 N. Big Spring St, Ste 40 CITY Midland STATE TX ZIP 79701		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 830' FSL & 126' FWL, SEC. 17, T 4S, R23E QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER: Federal Pipeline 13-17-4-23
PHONE NUMBER: (432) 685-6563		9. API NUMBER: 4304751637
COUNTY: Uintah, UT		10. FIELD AND POOL, OR WILDCAT: Exploratory
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>change to Parallel Petroleum LLC</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Filed to show the operator name change to "Parallel Petroleum LLC", from "Parallel Petroleum Corporation".

I can be reached at 432/685-6563 should you need further information.

Mary Ann Martinez
Parallel Petroleum LLC
432/685-6563

effective June 8, 2011
BLM BOND = UTB 000204

RECEIVED
DEC 28, 2011
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Mary Ann Martinez</u>	TITLE <u>Sr. Regulatory & Prod Analyst</u>
SIGNATURE <u><i>Mary Ann Martinez</i></u>	DATE <u>12/22/2011</u>

(This space for State use only)

APPROVED 12/28/2011
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

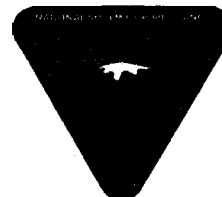
Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



APR 17 2015

IN REPLY REFER TO:
3160 (UTG011)

William Harris
Parallel Petroleum Corp.
1004 Big Springs St., Suite 400
Midland, TX 79701

RECEIVED

MAY 04 2015

DIV. OF OIL, GAS & MINING

Re: Notice of Expiration
Well No. Federal Pipeline 13-17-4-23
SWSW, Sec. 17, T4S, R23E
Uintah County, Utah
Lease No. UTU-81184

43 047 51637

Dear Mr. Harris:

The Application for Permit to Drill (APD) for the above-referenced well was approved on August 15, 2008. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until August 15, 2012. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.